GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:2937
ANSWERED ON:07.12.2001
PROFIT EARNING PSUS
ABDUL RASHID SHAHEEN;CHANDRAKANT BHAURAO KHAIRE;MADAN PRASAD JAISWAL

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

a. the details of public undertakings which are not earning profit;

b. the number of public undertakings out of them which have been constantly incurring losses for the last three years alongwith the details of year-wise losses incurred by them;

c. the extent of Government investment in the loss incurring undertakings;

d. whether the losses in these undertakings can be attributed to the faulty management system, wasteful expenditure and negligence and if so, the reaction of the Government thereto;

e. whether some of the loss making Public Sector Undertakings have closed during last three years; and

f. if so, the details thereof, PSU-wise?

Answer

MINISTER OF STATE FOR HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA)

(a)&(b): There were 106 Central Public Sector Undertakings(CPSUs) which incurred losses during 1999-2000, out of which 83 CPSUs had incurred continuous losses for the last three years.The names and losses incurred by these CPSUs for the last three years is given in Statement-7B of Vol.-I of Public Enterprises Survey, 1999-2000 which was laid in the Lok Sabha on 27.2.2001 and is a published document.

(c): As per Public Enterprises Survey, 1999-2000, the Government investment in 106 loss incurring undertakings as on 31.3.2000, the period till which the information is available was Rs.38617.93 crores.

(d): The reasons for losses are enterprise specific and in general include inherited sickness in case of taken over units from the private sector, obsolete plant and machinery, outdated technology, low capacity utilisation, excess manpower, financial resource crunch, high input costs, heavy interest burden, weak marketing strategies etc.

(e)&(f):As per available information, establishments of Bharat Gold Mines Ltd.(BGML), Tannery & Footwear Corporation of India Ltd.(TAFCO), Mandya National Paper Mills Ltd.(MNPM), Bharat Process and Mechanical Engineers.Ltd.(BPMEL), Weighbird(India Ltd.(WIL), Rehabilitation Industries Corpn.(RIC) and National Bicycle Corpn. of India Ltd.(NBCIL) have been closed.Four units of HMT and seven loss making Refractory Units(LRUs)/Fabrication Yard of Burn Standard Co. Ltd.(BSCL) have also been closed.